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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/19/2010	.	
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The Committee on Criminal Justice (Dean) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Paragraph (a) of subsection (9) of section 24.105, Florida Statutes, is amended to read:

24.105 Powers and duties of department.—The department shall:

(9) Adopt rules governing the establishment and operation of the state lottery, including:

(a) The type of lottery games to be conducted, except that:

1. No name of an elected official shall appear on the



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13 ticket or play slip of any lottery game or on any prize or on
14 any instrument used for the payment of prizes, unless such prize
15 is in the form of a state warrant.

16 2. No coins or currency shall be dispensed from any
17 electronic computer terminal or device used in any lottery game.

18 3. Other than as provided in subparagraph 4., no terminal
19 or device may be used for any lottery game which may be operated
20 solely by the player without the assistance of the retailer.

21 4. Only the three types of ~~The only~~ player-activated
22 machines described in this subparagraph ~~which~~ may be utilized.
23 ~~is a machine which dispenses instant lottery game tickets~~
24 ~~following the insertion of a coin or currency by a ticket~~
25 ~~purchaser.~~ To be authorized a machine must: be under the
26 supervision and within the direct line of sight of the lottery
27 retailer to ensure that the machine is monitored and only
28 operated by persons at least 18 years of age; and be capable of
29 being electronically deactivated by the retailer to prohibit use
30 by persons less than 18 years of age through the use of a
31 lockout device that maintains the machine's deactivation for a
32 period of no less than 5 minutes; ~~and be designed to prevent its~~
33 ~~use or conversion for use in any manner other than the~~
34 ~~dispensing of instant lottery tickets.~~ Authorized machines may
35 dispense change to players purchasing tickets but may not be
36 utilized for paying the holders of winning tickets of any kind.
37 At least one clerk must be on duty at the lottery retailer while
38 the machine is in operation. However, at least two clerks must
39 be on duty at any lottery location which has violated s.
40 24.1055. In addition to the above requirements, the following
41 requirements must be satisfied:



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42 i. A machine used to dispense pre-printed instant lottery
43 tickets, but the machine may not read or reveal the results of
44 the ticket, or allow a player to redeem any ticket. The machine,
45 or any machine or device linked to the machine, may not include
46 or make use of video reels or mechanical reels or other video
47 depictions of slot machine or casino game themes or titles for
48 game play. This does not preclude the use of casino game themes
49 or titles on such tickets or signage or advertising displays on
50 the machines;

51 ii. A machine used to dispense pre-determined electronic
52 instant lottery tickets that displays an image of the ticket on
53 a video screen, provided the player must touch the image of the
54 ticket on the screen to reveal the outcome of the ticket. The
55 machine may not permit a player to redeem winnings and may not
56 make use of video reels or mechanical reels or simulate the play
57 of any casino game. A retailer who utilizes such machines must
58 be paid the same amount as the retailer would be paid for the
59 sale of paper instant lottery tickets; and

60 iii. A machine used to dispense a paper lottery ticket with
61 numbers selected by the player or randomly by the machine. The
62 machine may not reveal the winning numbers to the player. The
63 winning numbers must be selected at a subsequent time and
64 different location through a drawing by the Florida Lottery. The
65 machine, or any machine or device linked to the machine, may not
66 include or make use of video reels or mechanical reels or other
67 video depictions of slot machine or casino-game themes or titles
68 for game play. The machine may not be used to redeem a winning
69 ticket. These requirements do not preclude the use of casino
70 game themes or titles for signage or advertising on the machine.



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71 Section 2. Paragraphs (a) and (h) of subsection (2) and
72 subsections (4) and (6) of section 24.111, Florida Statutes, are
73 amended to read:

74 24.111 Vendors; disclosure and contract requirements.-

75 (2) The department shall investigate the financial
76 responsibility, security, and integrity of each vendor with
77 which it intends to negotiate a contract for major procurement.
78 Such investigation may include an investigation of the financial
79 responsibility, security, and integrity of any or all persons
80 whose names and addresses are required to be disclosed pursuant
81 to paragraph (a). Any person who submits a bid, proposal, or
82 offer as part of a major procurement must, at the time of
83 submitting such bid, proposal, or offer, provide the following:

84 (a) A disclosure of the vendor's name and address and, as
85 applicable, the name and address and any additional disclosures
86 necessary for an investigation of the financial responsibility,
87 security, and integrity of the following:

88 1. If the vendor is a corporation, the officers, directors,
89 and each stockholder in such corporation; except that, in the
90 case of owners of equity securities of a publicly traded
91 corporation, only the names and addresses of those known to the
92 corporation to own beneficially 5 percent or more of such
93 securities need be disclosed.

94 2. If the vendor is a trust, the trustee and all persons
95 entitled to receive income or benefit from the trust.

96 3. If the vendor is an association, the members, officers,
97 and directors.

98 4. If the vendor is a partnership or joint venture, all of
99 the general partners, limited partners, or joint venturers.



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100 5. If the vendor is a limited liability company, each
101 officer, director, member, manager, and managing member of the
102 company.

103 (h) The department may ~~shall~~ lease all instant ticket
104 vending machines.

105
106 If the vendor subcontracts any substantial portion of the work
107 to be performed to a subcontractor, the vendor shall disclose
108 all of the information required by this paragraph for the
109 subcontractor as if the subcontractor were itself a vendor.

110
111 The department shall not contract with any vendor who fails to
112 make the disclosures required by this subsection, and any
113 contract with a vendor who has failed to make the required
114 disclosures shall be unenforceable. Any contract with any vendor
115 who does not comply with such requirements for periodically
116 updating such disclosures during the tenure of such contract as
117 may be specified in such contract may be terminated by the
118 department. This subsection shall be construed broadly and
119 liberally to achieve the ends of full disclosure of all
120 information necessary to allow for a full and complete
121 evaluation by the department of the competence, integrity,
122 background, and character of vendors for major procurements.

123 (4) No contract for a major procurement with any vendor
124 shall be entered into if that vendor, or any of the vendor's
125 officers, directors, trustees, partners, managing members, or
126 joint venturers whose names and addresses are required to be
127 disclosed pursuant to paragraph (2) (a), has been convicted of,
128 or entered a plea of guilty or nolo contendere to, a felony



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129 committed in the preceding 10 years, regardless of adjudication,
130 unless the department determines that:

131 (a) The vendor or such individual has been pardoned or the
132 vendor's or such individual's civil rights have been restored;

133 (b) Subsequent to such conviction or entry of plea the
134 vendor or such individual has engaged in the kind of law-abiding
135 commerce and good citizenship that would reflect well upon the
136 integrity of the lottery; or

137 (c) If the vendor is not an individual, such vendor has
138 terminated its relationship with the individual whose actions
139 directly contributed to the vendor's conviction or entry of
140 plea.

141 (6) ~~Every contract in excess of \$25,000 entered into by the~~
142 ~~department pursuant to this section shall contain a provision~~
143 ~~for payment of liquidated damages to the department for any~~
144 ~~breach of contract by the vendor.~~ The department may require a
145 liquidated damages provision in any contract if the department
146 deems it necessary to protect the state's financial interest.

147 Section 3. Subsection (1) of section 24.113, Florida
148 Statutes, is amended to read:

149 24.113 Minority participation.—

150 (1) It is the intent of the Legislature that the department
151 encourage participation by minority business enterprises as
152 defined in s. 288.703. Accordingly, 15 percent of the retailers
153 shall be minority business enterprises as defined in s.
154 288.703(2); ~~however, no more than 35 percent of such retailers~~
155 ~~shall be owned by the same type of minority person, as defined~~
156 ~~in s. 288.703(3).~~ The department is encouraged to meet the
157 minority business enterprise procurement goals set forth in s.



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158 287.09451 in the procurement of commodities, contractual
159 services, construction, and architectural and engineering
160 services. This section shall not preclude or prohibit a minority
161 person from competing for any other retailing or vending
162 agreement awarded by the department.

163 Section 4. Section 24.114, Florida Statutes, is amended to
164 read:

165 24.114 Bank deposits and control of lottery transactions.—

166 (1) (a) All moneys received by each retailer from the
167 operation of the state lottery, including, but not limited to,
168 all ticket sales, interest, gifts, and donations, less the
169 amount retained as compensation for the sale of the tickets and
170 the amount paid out as prizes, shall be remitted to the
171 department or deposited in a qualified public depository, as
172 defined in s. 280.02, as directed by the department.

173 (b) The department shall have the responsibility for all
174 administrative functions related to the receipt of funds. The
175 department may ~~also~~ require:

176 1. Each retailer to file with the department reports of the
177 retailer's receipts and transactions in the sale of lottery
178 tickets in such form and containing such information as the
179 department may require.

180 2. ~~The department may require~~ Any person, including a
181 qualified public depository, to perform any function, activity,
182 or service in connection with the operation of the lottery as it
183 may deem advisable pursuant to this act and rules of the
184 department, and such functions, activities, or services shall
185 constitute lawful functions, activities, and services of such
186 person.



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187 ~~3.(2) The department may require~~ Retailers to establish
188 separate electronic funds transfer accounts for the purpose of
189 receiving moneys from ticket sales, making payments to the
190 department, and receiving payments from the department.

191 ~~(2)(3)~~ Each retailer is liable to the department for any
192 and all tickets accepted or generated by any employee or
193 representative of that retailer, and the tickets shall be deemed
194 to have been purchased by the retailer unless returned to the
195 department within the time and in the manner prescribed by the
196 department.

197 (3) All moneys received by retailers from the sale of
198 lottery tickets, less the amount retained as compensation for
199 the sale of tickets and the amount paid out as prizes by the
200 retailer, shall be held in trust prior to delivery to the
201 department or electronic transfer to the Operating Trust Fund.

202 (4) A retailer who fails to remit funds to the department
203 as required commits a misdemeanor of the first degree,
204 punishable as provided in s. 775.082, or s. 775.083.

205 Section 5. This act shall take effect July 1, 2010.

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208 ===== T I T L E A M E N D M E N T =====

209 And the title is amended as follows:

210 Delete everything before the enacting clause
211 and insert:

212 A bill to be entitled
213 An act relating to the state lottery; amending s.
214 24.105, F.S.; authorizing the use of player-activated
215 machines that have additional functionality; amending



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216 s. 24.111, F.S.; adding limited liability companies to
217 the list of potential vendors that the Department of
218 the Lottery must investigate; providing that the
219 Department of Lottery may lease all instant ticket
220 vending machines; prohibiting the department from
221 entering into a contract for a major procurement if a
222 managing member of the vendor has been convicted of a
223 felony; removing a duplicative provision; amending s.
224 24.113, F.S.; removing a provision limiting the
225 percentage of the same type of minority retailer that
226 the Department of the Lottery may contract with to 35
227 percent; amending s. 24.114, F.S.; providing a penalty
228 for failure by a retailer to remit funds as required;
229 providing an effective date.